

Week Ending Friday, July 2, 1993

The President's Radio Address

June 26, 1993

Good morning. I want to talk to you about the battle that I've been waging to fulfill the central commitment of my campaign for President: to make the economy grow, create jobs, and make our Government in Washington work again for all the American people.

But first, let me take just a moment to congratulate the FBI, the New York Police Department, and the United States attorney in New York for breaking up the terrorist ring. The American people need to be reassured by the effectiveness and the determination of our Federal authorities at the national and at the local level to combat terrorism. And the people who would engage in these kinds of acts in this country need to know that we're going to be tough on anyone, anywhere in the world, who threatens or carries out terrorist actions against any American citizen.

Back to the economy. For years, your Government in Washington refused to make the hard decisions necessary for America to compete and win in a global economy. Very often, political leaders told you exactly what you wanted to hear, but they didn't hear your real problems or honor your values. For more than a decade, the National Government borrowed and spent, raised taxes on the middle class, reduced the burden on the privileged, ran up the huge national debt we now have, and discouraged the creation of jobs by reducing our investment. Meanwhile, we ignored problems like health care and the cost and availability of that service and many others.

Now, if we want to preserve the American dream, opportunity for those who work hard and play by the rules, we have to change. And change is hard. For the last 5 months, I've been fighting for a plan to create economic growth, one that reduces the deficit and brings down interest rates and increases

investment in education, technology, and jobs. It requires deep spending cuts and some tax increases, asking by far the most from those who have the most to pay.

Congress is rising to the occasion. Last month the House voted for a new direction, and just this week the Senate acted courageously in doing the same. In the next few weeks, representatives from both the House and the Senate will be meeting to reconcile the differences between the two bills. The negotiations will be difficult, but I'm going to work hard to keep the essential characteristics of the economic plan that I believe so deeply in: at least \$500 billion of deficit reduction in a trust fund so that the cuts and the taxes can't go to anything else, cuts at least as big as tax increases, if not larger; over three-quarters of the tax increases coming from the top 6 percent of income earners; and real incentives to create new jobs and to encourage the working poor, to move people from welfare to work. We're finally getting our house in order, delivering the changes that America needs.

This program, as I said, reduces the deficit by \$500 billion, and you should know again that there are \$250 billion of spending cuts in the program, over 100 cuts of over \$100 million or more. The revenues that are raised are raised from those who can most afford to pay. This program protects the middle class, something that would not have happened in the 1980's when Washington reduced taxes on the wealthiest Americans and raised them on the middle class. For every \$10 in deficit reduction in my plan, \$5 comes from spending cuts, \$5 comes from new revenues. Of those revenues, \$3.75 comes from the wealthiest 6 percent of Americans, almost 80 percent from people with incomes above \$200,000 in the Senate plan; and \$1.25 comes from the middle class.

All this money is locked up now in a deficit reduction trust fund, which protects the money for the next 5 years for bringing down

our deficit. The plan is bold and fair; it'll work. It's a sharp departure from the tax-and-spend policies of the seventies and the trickle-down economics of the eighties. It reduces the deficit; it invests and grows the economy. It's a new direction.

Still, there are some in Washington who use the same old tired rhetoric they used in the eighties to attack this kind of direction, while they followed borrow-and-spend, trickle-down policies. Last week, the only other plan offered to the American people was offered by my Senate opponents. Well, the plan fell more than \$100 billion short of the \$500 billion deficit reduction bill. And most regrettably, it asks even more of the middle class, of veterans, and millions of elderly people just above the poverty line. It asks those people to do with less in terms of benefits, especially in health care, so that the top one percent of the American people whose incomes went up and whose taxes went down in the eighties could go scot-free in the battle to reduce the deficit, bring down interest rates, and get investment back in the American economy. The plan was defeated and for good reason. Instead of protecting one group at the expense of others, it's time that everyone made a contribution to help everyone by reducing spending fairly and by investing in the future wisely and by growing the economy.

When the Senate and the House meet to write the final plan, we're all going to work together to set a new course for economic growth. When Congress finalizes the details, I'm going to work as hard as I can to insist that the principles I have talked about repeatedly for 5 months, and indeed during all of 1992 as well, will be followed in shaping this law. We need \$500 billion in deficit reduction, in spending cuts, and in taxes which fall almost completely on the wealthiest Americans. We absolutely must put all the net savings from cuts and taxes in a deficit trust fund so the Government can't touch it over the next 5 years. We ought to keep the incentives in my plan for business growth, especially small businesses which create most of the new jobs in America. And finally, we ought to keep our commitment to the 18 percent of the American people who work but

are still below the poverty line. Under our plan, if you work full-time and you're still below the poverty line, we will lift you out of poverty by not taxing you and keeping you in poverty.

People who have the courage to change should be rewarded. I know the economy is still struggling, and most Americans are still working too hard for too little. But at least there are some very important economic trends that have begun to move in the right direction. The best news is, new jobs are finally coming back into the American economy. In the last 5 months, as interest rates have dropped to 20-year lows in response to our efforts to bring the deficit down, more than 755,000 new jobs, 90 percent of them in the private sector, have been created. In the first 4 months of this year, more jobs in the construction industry were created than in any similar period in the last 9 years.

These are good and hopeful trends. Our plan builds on this progress. I know we've got a long way to go. But as always, if we'll just act in a way that's consistent with our values and if we'll all pull together, we can move our country in the right direction, meet the challenges of the global economy, and create jobs and opportunity for all Americans again.

Thanks for listening.

NOTE: This address was recorded at 3:50 p.m. on June 25 in the Roosevelt Room at the White House for broadcast at 10:06 a.m. on June 26.

Address to the Nation on the Strike on Iraqi Intelligence Headquarters *June 26, 1993*

My fellow Americans, this evening I want to speak with you about an attack by the Government of Iraq against the United States and the actions we have just taken to respond.

This past April, the Kuwaiti Government uncovered what they suspected was a car bombing plot to assassinate former President George Bush while he was visiting Kuwait City. The Kuwaiti authorities arrested 16 sus-